DATA REVISIONS REDUCE OVERBUILDING CONCERNS IN ATLANTA

Data Revisions

Atlanta employment figures showed the same acceleration of economic activity in the second half of 1986 as was apparent in the state. However, the rapid growth in construction activity was reduced slightly earlier in the year. In addition, manufacturing showed even a more robust gain in Atlanta than in the state. Manufacturing employment was revised upward by nearly 7000. Large gains in durable manufacturing were in the machinery sectors, where nonelectrical machinery was revised from a modest decline to a 4.8% rate of expansion. While electrical machinery was revised from a 2.4% growth rate to a 9.2% rate of gain. Lumber employment also was revised upward slightly.

A sharp increase developed in nondurables, as food processing was revised upward by 2500 jobs and printing increased by 1000 jobs. This offset a downward revision in the chemicals industry. On the other hand, trade employment was revised downward sharply in 1985, virtually removing earlier measures of excess retail employment. However, sluggish retail sales in 1986 correspond with even more rapid rates of gain in retail employment. Thus, Atlanta was not overstored as 1986 began but became overstored as the year progressed. Finance employment was revised upward significantly along with service employment, where 12,000 new jobs were added. Overall, employment was reduced by 9000 jobs in 1985 and then increased by 9000 jobs in 1986. This resulted in an additional 18,000 job gain. Thus, employment increased 68,400 in 1986 as compared with original estimates of 50,700.

Recent Conditions and Outlook

Payroll employment in Atlanta surged at an 8.1% annual rate in the fourth quarter. However, growth slowed sharply in December, where payroll gains were only at a 5.7% annual rate of advance. Much of the fourth quarter growth was in contract construction. However, manufacturing activity rebounded with the aid of gains in transportation equipment following strike activity in the third quarter. Transportation equipment will decline during the first half of 1987 as the Lakewood plant is out of operation for sixteen weeks for retooling. While employment will be significantly impacted, purchasing power will not be dramatically altered. Although nondurable manufacturing also rebounded slightly during the fourth quarter, manufacturing is not as significant a part of the Atlanta economy as it is in Georgia.

A surge in employment also occurred for wholesale trade, finance, and services. On the other hand, the transportation and communications industries stalled in the fall as a result of restructuring activity. Government spending also slowed, with local government employment falling slightly after seasonal adjustment. To the extent that vigorous employment gains were concentrated in contract construction, the Atlanta economy is susceptible to significant slowing during the next two years. However, the momentum in construction is so substantial that a decline below 1986 averages is not expected until the end of 1987. Then, construction employment is expected to fall sharply.

As in the state, manufacturing activity related to construction will also weaken. However, the weak metals industry is expected to gradually regain health in 1987 and begin expanding in 1988.

The restructuring currently developing in the transportation and communications industries should slow but not stop employment gains in those areas. At the same time, acceleration in retail employment is expected to peak early in 1987. A spurt in wholesale trade employment also should turn into significant sluggishness by the end of 1987. Employment gains in the finance and service sector should gradually slow. However, the strong stock market probably will push up financial service employment in 1987 at a more rapid rate than in 1986. Slowing then would develop in the following year. Atlanta should generate its fourth consecutive year of more than 5% employment growth during 1987. Employment gains then will slow to 3% in 1988.

The sharp upward revision in service employment suggests that economically justified absorption rates will be much stronger in Atlanta during the next two years than originally expected. This also explains the surprising decline in vacancies in Atlanta during December as recorded by the Coldwell Banker Index. According to that index, vacancy rates in Atlanta's downtown declined to 14.9% as compared to a 16.4% vacancy rate nationwide. Suburban vacancies fell to 19.2% in comparison to a 23.8% vacancy rate for the nation. After some of the large mid-town and Buckhead properties are completed, vacancy rates will rise to the vicinity of 23% before the end of 1987. While this is certainly a high rate of vacant space, rapid gains in the service economy indicate that absorption rates will begin exceeding completion rates by the end of 1987. Therefore, rental rates probably will begin firming at slightly less than $18 per square foot for class A space by the end of this year.

Because of an increase in the national index to 5.8%, the industrial vacancy rate in Atlanta now has fallen below the national average at 5.6%. This is an unusually high industrial vacancy rate for Atlanta and suggests that little new construction should develop. However, it also shows that absorption rates are catching up to industrial construction activity. According to Adams-Cates estimates, nearly 10 million square feet of quality square-footage is being added at an annual rate to the Atlanta market at the present time.

The upward revision in employment in Atlanta has led to an upward revision in population as well. The population expanded 3.7% in 1986 and will continue to grow at more than a 3% annual rate through 1988. By 1988, however, that vigorous rate of pupulation growth will outstrip employment needs, leading to a slight increase in the unemployment rate. Until that time, when population growth will then slow, potential absorption of housing should remain stable at nearly 44,000 units per year. Housing permits appear to be exceeding those levels, at least until a slump in multi-family activity drops new starts below potential absorption in 1988. This means that downward pressures on prices and rental rates could develop in 1987. A slight glut in housing may also slow the turnover of the resale market. Nevertheless, relatively vigorous housing activity should continue during the next two years.

A housing slump in Gwinnett county continues to develop, although the slump in multi-family activity has been partially arrested. However, vacancy rates remain more than 15% in that county, suggesting that further weakness in multi-family construction is warranted. Activity in Fulton county remains surprisingly robust. The basic factor restraining further development in Fulton county will be the availability of accessible lots on the northern part of the county. Dekalb also will be suffering from lot availability. However, apartment activity also appears to be excessive and will slow significantly over the next two years. Cobb county should be able to maintain single-family

housing growth but will also experience a significant slowing in multi-family activity, largely as a result of the disincentives provided in the recent tax act. Clayton county probably is the most vulnerable to a significant slump in multi-family activity. Economic activity has slowly intensified on the southern side of the metropolitan area, but the surge in housing activity in Clayton county appears to be anticipating more growth than currently can be generated. Rapid growth in single-family housing is expected in Cherokee county as a large number of moderate income households become priced out of Gwinnett and respond by moving further out. The problems in Forsyth county are expected to hurt that county's development. Although major long-term damage may have been avoided, sluggishness is expected in housing and industrial activity in 1987. Moderate improvement should develop in 1988. When Douglas county establishes an important shopping area, a spurt in housing activity should develop. This will begin occurring in 1988. On balance, single-family activity should continue to maintain current robust levels, while multi-family activity is expected to experience a significant correction. A slight softness is expected to persist in the Atlanta housing market over the next two years, but no significant economic trauma is expected.

Taxable sales in the Atlanta metropolitan area have slowed to less than 7% in 1986. With slightly more than 1% inflation on taxable items, this suggests about 6% real growth. Yet, employment in retail trade establishments currently is growing slightly in excess of this projected expansion of taxable sales. During the summer, taxable sales registered the lowest year over year gain since the third quarter of 1975. Recession was largely responsible for the earlier weakness while disinflation appears to be responsible for the current taxable sales sluggishness.

Taxable sales slumped by a sharp 3.2% in Fulton county during the summer months and also decreased in Dekalb. Sales showed surprisingly moderate rates of gain in such important counties as Cobb, Clayton, and Gwinnett. Counties farther out showed more significant sales tax gains. Indeed, taxable sales accelerated in Coweta, Fayette, Paulding, and Douglas. Although taxable sales growth in Gwinnett was not in double digits, the summer increase was slightly better than in the spring. Surprisingly, the Town Center complex in north Cobb apparently did little to dispel sluggish sales activity during the summer months. Obviously, the negligible increase in taxable sales from a year ago was not created by restraints in disposable income. Savings in Atlanta increased dramatically during the summer months.

In summary, employment growth appears to be continuing along a relatively vigorous 5% rate of expansion. However, unsustainable spurts in retail employment gains and in construction activity appear to have generated some of this good fortune. Construction will slow significantly in 1987 and begin falling in 1988. Trade activity also will slow over the next two years. However, gains in manufacturing activity and continued growth in service employment should maintain reasonable employment opportunities in the Atlanta area. Nevertheless, a noticeable slowing in employment gains is anticipated in 1988 after one more year of 5% employment gains materialize in 1987.

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Table 1

Georgia Wage & Salary Employment for 1985 and 1986 with Forecasts for 1987 through 1988
(Thousands)

Industry	1985r	1986r	1987	1988	84-85	85-86	86-87	87-88
1. Mining	8.1	8.4	8.9	8.9	3.9	3.7	5.9	0.0
2. Construction	143.8	156.2	158.3	151.5	9.4	8.6	1.3	-4.3
3. Manufacturing	557.1	564.6	571.0	580.2	1.9	1.3	1.1	1.6
Durables	220.1	222.1	223.3	227.2	6.0	0.9	0.5	1.7
Lumber	35.7	34.9	35.3	35.0	5.0	-2.2	1.1	-0.8
Furniture	11.9	11.8	11.7	11.6	8.2	-0.8	-0.8	-0.9
Stone, Clay, Glass	19.9	20.8	20.9	20.7	5.9	4.5	0.5	-1.0
Primary Metals	16.5	15.4	15.2	15.5	1.9	-6.7	-1.3	2.0
Fabricated Metals	20.7	20.6	20.4	20.6	2.0	-0.5	-1.0	1.0
Nonelectrical Machinery	26.0	26.1	26.5	26.8	7.4	0.4	1.5	1.1
Electrical Machinery	27.7	29.2	29.5	30.6	4.5	5.4	1.0	3.7
Transportation Equipment	49.1	50.9	51.2	53.5	11.3	3.7	0.6	4.5
Other Durables	12.6	12.3	12.6	12.9	1.6	-2.4	2.4	2.4
Nondurables	337.0	342.5	347.7	353.0	-0.6	1.6	1.5	1.5
Food	59.3	60.6	62.3	63.5	3.7	2.2	2.8	1.9
Textiles	100.8	103.0	104.9	105.4	-3.9	2.2	1.8	0.5
Apparel	70.4	69.8	70.1	70.6	-6.3	-0.9	0.4	0.7
Paper	30.3	31.0	31.7	32.5	1.3	2.3	2.3	2.5
Printing	34.1	36.6	37.8	39.1	10.7	7.3	3.3	3.4
Chemicals	19.3	19.2	18.9	19.4	2.1	-0.5	-1.6	2.6
Leather	1.6	1.5	1.2	1.1	-5.9	-6.3	-20.0	-8.3
Other Nondurables	21.2	20.9	20.8	21.4	3.9	-1.4	-0.5	2.9
4. Transportation, Comm. & Utilities	163.0	166.5	167.8	171.4	4.2	2.2	0.8	2.1
5. Trade	643.0	669.6	702.3	722.4	6.7	4.1	4.9	2.9
Wholesale	195.4	197.1	209.1	211.6	4.2	0.9	6.1	1.2
Retail	447.6	472.5	493.2	510.8	7.9	5.6	4.4	3.6
6. Finance, Ins. & Real Estate	136.8	145.3	154.0	160.9	6.6	6.2	6.0	4.5
7. Services	469.3	505.7	539.6	566.6	8.2	7.8	6.7	5.0
8. Government	448.7	458.6	462.8	468.8	1.5	2.2	0.9	1.3
Federal	94.2	96.0	96.3	97.0	5.3	1.9	0.3	0.7
State	104.8	106.9	108.9	110.7	1.0	2.0	1.9	1.7
Local	249.7	255.7	257.6	261.1	0.4	2.4	0.7	1.4
Total Wage & Salary Employment	2569.8	2675.0	2764.7	2830.7	5.0	4.1	3.4	2.4
Unemployment Rate	6.5	5.8	5.5	5.8	8.3	-10.8	-5.2	5.5

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Table 2

Georgia Personal Income for 1985 and 1986 with Forecasts for 1987 and 1988
(Millions of Dollars)

	1985	1986	1987	1988	84-85	85-86	86-87	87-88
Labor & Proprietors' Income:								
1. Wage & Salary Income	48608	53001	56568	59974	10.3	9.0	6.7	6.0
2. Other Labor Income	4615	5059	5479	5917	10.1	9.6	8.3	8.0
3. Proprietors' Income	5223	5899	6513	7087	1.5	12.9	10.4	8.8
Farm	683	644	748	826	-37.6	-5.7	16.1	10.4
Nonfarm	4540	5255	5765	6261	12.0	15.8	9.7	8.6
Labor & Proprietors' Income:								
1. Farm	833	799	920	1013	-33.0	-4.1	15.1	10.1
2. Mining	286	300	327	339	2.3	4.8	9.0	3.6
3. Contract Construction	3876	4596	4797	4752	11.5	18.6	4.4	-0.9
4. Manufacturing	12072	12837	13366	14057	7.1	6.3	4.1	5.2
Durables	5409	5702	5905	6218	10.7	5.4	3.6	5.3
Nondurables	6663	7135	7461	7839	4.6	7.1	4.6	5.1
5. Transportation & Utilities	5478	5838	6060	6407	8.8	6.6	3.8	5.7
6. Trade	11562	12207	13211	13969	12.4	5.6	8.2	5.7
Wholesale	5495	5752	6285	6551	13.0	4.7	9.3	4.2
Retail	6067	6455	6926	7418	12.0	6.4	7.3	7.1
7. Finance, Ins. & Real Estate	3592	4151	4589	5010	18.0	15.6	10.5	9.2
8. Services	10604	12184	13651	15122	13.3	14.9	12 0	10.8
9. Other Industries	256	290	318	345	12.9	13.3	9.7	8.5
10. Government	9889	10757	11321	11964	7.6	8.8	5.2	5.7
Federal Civilian	2501	2629	2730	2860	9.0	5.1	3.8	4.8
Federal Military	1421	1456	1567	1700	3.6	2.5	7.6	8.5
State & Local	5967	6672	7024	7404	8.0	11.8	5.3	5.4
Plus:								
Property Income	10257	10613	10794	11515	8.1	3.5	1.7	6.7
State U.I. Benefits	211	232	293	286	7.7	10.0	26.3	-2.4
Other Transfers	9656	10307	10853	11461	8.1	6.7	5.3	5.6
Residence Adjustment	-218	-256	-273	-278	25.5	17.4	6.6	1.8
Less: Social Ins. Contributions	3392	3745	4029	4487	15.3	10.4	7.6	11.4
Equals: Total Personal Income	74960	81110	86198	91475	8.8	8.2	6.3	6.1
Nonfarm Personal Income	74127	80311	85278	90462	9.5	8.3	6.2	6.1
% of U.S. Nonfarm	2.26	2.33	2.37	2.38	---	---	---	---
Population	5975	6104	6221	6339	2.34	2.16	1.92	1.90

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Table 3 Atlanta MSA Wage and Salary Employment for 1985 and 1986 with Forecasts through 1988
(Thousands)

Industry	1985	1986	1987	1988	84-85	85-86	86-87	87-88
1. Mining	1.2	1.5	1.7	1.6	9.0	20.8	13.3	-5.9
2. Contract Construction	71.6	78.4	81.3	76.2	12.6	9.5	3.7	-6.3
3. Manufacturing	185.6	192.2	195.7	201.2	5.9	3.6	1.8	2.8
Durables	97.4	100.6	100.9	104.4	9.3	3.3	0.3	3.5
Lumber	4.9	5.1	5.4	5.3	28.9	4.1	5.9	-1.9
Furniture	4.7	4.5	4.7	4.6	2.2	-4.3	4.4	-2.1
Stone, Clay, Glass	9.5	10.2	10.4	10.3	9.2	7.4	2.0	-1.0
Primary Metals	6.9	6.6	6.5	6.8	7.8	-4.3	-1.5	4.6
Fabricated Metals	9.3	9.2	8.9	9.1	5.7	-1.1	-3.3	2.2
Nonelectrical Machinery	10.5	11.0	11.3	11.8	9.4	4.8	2.7	4.4
Electrical Machinery	14.2	15.5	15.3	16.0	7.6	9.2	-1.3	4.6
Transportation Equipment	31.8	32.9	32.7	34.6	11.2	3.5	-0.6	5.8
Other Durables	5.7	5.7	5.7	5.9	7.5	0.0	0.0	3.5
Nondurables	88.2	91.6	94.8	96.8	2.3	3.9	3.5	2.1
Food	20.6	21.9	22.3	22.6	3.5	6.3	1.8	1.3
Textiles	7.5	7.2	7.7	7.9	-10.7	-4.0	6.9	2.6
Apparel	12.7	12.4	12.2	12.4	-3.8	-2.4	-1.6	1.6
Paper	8.6	8.9	9.4	9.5	2.4	3.5	5.6	1.1
Printing	21.5	23.3	24.3	25.0	8.6	8.4	4.3	2.9
Chemicals	9.5	9.6	10.3	10.6	2.2	1.1	7.3	2.9
Other Nondurables	7.7	8.2	8.6	8.8	5.5	6.5	4.9	2.3
4. Transportation, Comm. & Utilities	104.8	108.4	110.9	113.4	4.4	3.4	2.3	2.3
5. Trade	350.7	368.0	393.5	408.6	3.9	4.9	6.9	3.8
Wholesale	125.4	129.3	138.9	141.3	1.1	3.1	7.4	1.7
Retail	225.3	238.7	254.6	267.3	5.5	5.9	6.1	5.0
6. Finance, Ins. and Real Estate	88.9	94.4	101.4	107.3	7.9	6.2	7.4	5.8
7. Services	281.7	304.6	328.5	345.4	8.9	8.1	7.8	5.1
8. Government	178.0	183.5	185.3	188.4	2.1	3.1	1.0	1.7
Federal	38.3	39.4	39.5	39.8	6.1	2.9	0.3	0.8
State	35.5	36.4	37.5	38.2	0.9	2.5	3.0	1.9
Local	104.2	107.7	108.3	110.4	1.2	3.4	0.6	1.9
Total Wage & Salary Employment	1262.6	1331.0	1398.3	1442.1	5.8	5.4	5.1	3.1
Unemployment Rate	5.0	4.5	4.4	4.8	4.2	-10.0	-2.2	9.1

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Table 4 Atlanta MSA Personal Income for 1985 and 1986 with Forecasts through 1988
(Millions of Dollars)

	1985r	1986r	1987	1988	84-85	85-86	86-87	87-88
Labor & Proprietors' Income:								
1. Wage & Salary Income	26484	29281	31761	33950	11.6	10.6	8.5	6.9
2. Other Labor Income	2719	2999	3266	3504	11.5	10.3	8.9	7.3
3. Proprietors' Income	1796	2073	2276	2476	10.7	15.4	9.8	8.8
Farm	87	80	86	91	-14.5	-8.0	7.5	5.8
Nonfarm	1709	1993	2190	2385	13.3	16.6	9.9	8.9
Labor & Proprietors' Income:								
1. Farm	103	98	107	115	-13.0	-4.9	9.2	7.5
2. Contract Construction	1828	2185	2333	2267	14.7	19.5	6.8	-2.9
3. Manufacturing	4942	5360	5614	5980	11.2	8.5	4.7	6.5
Durables	2896	3122	3228	3458	14.0	7.8	3.4	7.1
Nondurables	2046	2238	2386	2522	7.5	9.4	6.6	5.7
4. Transportation & Utilities	3823	4121	4340	4596	9.0	7.8	5.3	5.9
5. Trade	7337	7837	8614	9158	9.7	6.8	9.9	6.3
Wholesale	4168	4456	4928	5160	9.9	6.9	10.6	4.7
Retail	3169	3381	3686	3998	9.6	6.7	9.0	8.5
6. Finance, Ins. & Real Estate	2617	3026	3386	3741	19.3	15.6	11.9	10.5
7. Services	6323	7284	8238	9136	14.0	15.2	13.1	10.9
8. Other Industries	148	167	183	198	11.7	12.5	9.6	8.3
9. Government	3878	4275	4488	4739	8.2	10.2	5.0	5.6
Federal Civilian	1106	1173	1218	1278	9.8	6.1	3.8	4.9
Federal Military	223	230	245	261	3.5	3.3	6.2	6.7
State & Local	2549	2872	3025	3200	8.4	12.7	5.3	5.8
Plus:								
Property Income	5338	5594	5717	6135	8.6	4.8	2.2	7.3
Transfer Payments	3209	3430	3629	3829	8.0	6.9	5.8	5.5
Residence Adjustment	-1181	-1303	-1357	-1391	15.3	10.3	4.2	2.5
Less: Social Ins. Contributions	2001	2240	2447	2748	16.6	11.9	9.2	12.3
Equals: Total Personal Income	36364	39834	42845	45755	10.3	9.5	7.6	6.8
Nonfarm Personal Income	36261	39736	42738	45640	10.4	9.6	7.6	6.8
% of Georgia Nonfarm	48.92	49.48	50.12	50.45	---	---	---	---
Population (#,Thousands)	2472	2564	2655	2742	3.84	3.72	3.55	3.28

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Table 5

Seasonally Adjusted Nonagricultural Employment
(Thousands)

	Georgia						Atlanta					
	85-4(r)	86-1(r)	86-2(r)	86-3(r)	86-4(p)	Dec(p)	85-4(r)	86-1(r)	86-2(r)	86-3(r)	86-4(p)	Dec(p)
Total	2613.1	2638.5	2654.9	2684.2	2721.5	2730.5	1287.2	1305.1	1317.2	1337.3	1363.6	1369.9
Mining	8.1	8.3	8.1	8.6	8.8	8.8	1.3	1.3	1.3	1.6	1.7	1.7
Contract Construction	147.6	152.1	153.6	156.1	162.6	162.7	72.2	76.3	75.9	77.7	83.5	84.0
Manufacturing	563.5	568.7	563.1	561.1	565.2	567.8	190.6	193.3	191.8	190.6	193.0	194.0
Durables	223.9	225.3	221.3	219.4	222.3	223.7	101.1	102.5	100.4	98.8	100.5	101.2
Lumber	35.8	35.8	34.9	34.2	34.8	35.1	5.1	5.1	5.1	5.1	5.3	5.3
Furniture	12.1	12.0	11.7	11.7	11.8	11.8	4.8	4.5	4.5	4.5	4.6	4.7
Stone, Clay, Glass	20.5	20.7	20.8	20.9	20.9	21.0	10.2	10.2	10.0	10.1	10.3	10.4
Primary Metals	16.4	15.8	14.9	15.6	15.2	15.0	6.8	6.8	6.0	6.8	6.6	6.4
Fabricated Metals	20.8	20.9	20.6	20.3	20.5	20.4	9.5	9.5	9.3	9.0	8.9	8.8
Nonelectrical Machinery	26.5	26.7	25.8	26.0	26.0	26.3	11.0	11.2	10.9	10.9	10.8	11.0
Electrical Machinery	28.5	29.3	29.5	29.1	29.0	29.2	14.8	15.8	15.8	15.3	15.0	15.0
Transportation Equipment	50.5	51.6	51.0	49.5	51.6	52.4	33.2	33.6	33.0	31.4	33.4	34.0
Other Durables	12.6	12.4	12.1	12.1	12.5	12.5	5.8	5.8	5.7	5.7	5.7	5.6
Nondurables	339.6	343.4	341.9	341.7	342.9	344.1	89.5	90.7	91.4	91.8	92.5	92.8
Food	60.5	60.2	60.2	60.9	61.0	61.1	21.3	21.7	21.9	21.9	22.0	22.0
Textiles	101.0	102.6	102.2	103.3	104.1	104.3	7.2	7.1	7.1	7.3	7.5	7.5
Apparel	69.8	70.6	70.1	69.2	69.0	69.6	12.6	12.8	12.6	12.3	12.0	12.1
Paper	30.4	30.7	31.2	31.0	31.0	31.3	8.9	8.7	9.0	9.0	9.2	9.2
Printing	34.9	35.8	36.6	36.7	37.1	37.3	22.1	22.8	23.2	23.4	23.6	23.6
Chemicals	19.5	19.4	19.2	19.3	19.0	18.8	9.4	9.5	9.4	9.7	9.9	10.0
Leather	1.7	1.7	1.6	1.3	1.3	1.3	---	---	---	---	---	---
Other Nondurables	21.8	22.4	20.9	20.0	20.4	20.4	8.0	8.1	8.3	8.2	8.4	8.4
Transportation, Comm. & Util.	165.3	165.8	165.4	167.3	167.5	167.1	106.2	107.2	107.2	109.5	109.6	109.2
Trade	650.0	654.3	664.1	674.5	684.9	688.1	354.1	357.6	364.0	370.8	379.4	381.7
Wholesale	194.5	193.6	194.5	197.0	203.4	205.2	126.2	125.3	127.8	130.5	133.8	135.4
Retail	455.5	460.7	469.7	477.5	481.6	482.9	227.9	232.3	236.2	240.3	245.6	246.3
Finance, Ins. & Real Estate	139.1	141.4	144.3	146.6	148.9	149.6	90.6	92.2	94.0	95.0	96.6	97.4
Services	485.9	489.9	497.7	509.9	525.4	527.6	292.1	294.6	298.6	308.4	316.5	319.5
Government	453.7	458.0	458.6	460.1	458.2	458.8	180.2	182.7	184.4	183.8	183.3	182.4
Federal	95.7	97.0	96.0	95.1	96.1	95.9	38.7	39.6	39.6	39.0	39.5	39.3
State	105.3	106.4	107.8	106.6	106.9	108.0	35.5	36.2	36.9	36.2	36.5	37.3
Local	252.8	254.6	254.8	258.4	255.2	254.9	106.0	106.9	108.0	108.7	107.3	105.8

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Table 6 Metro Atlanta Housing Permits for 1983 through 1986 with Forecasts through 1988

	1983		1984		1985		1986		1987		1988	
County	single	multi	single	multi	single	multi	single	multi	single	multi	single	multi
Butts	----	----	----	---	66	4	64	0	65	0	60	0
Cherokee	1172	14	1466	28	1632	155	2450	265	2920	350	3000	450
Clayton	1269	6	1143	576	1408	1424	1559	1832	1450	1250	1360	860
Cobb	5986	4243	6365	3095	6128	2576	6379	3418	6450	2460	6340	2010
DeKalb	3119	4371	3227	2965	3591	3397	3817	2647	3520	2060	3270	1790
Douglas	658	6	533	8	705	186	795	205	740	40	960	270
Fayette	----	----	----	----	692	0	822	0	850	0	970	0
Forsyth	463	14	609	57	720	74	797	73	730	20	740	40
Fulton	2634	2252	2979	3680	3198	3993	3536	4139	3500	3920	3270	3650
Gwinnett	5980	3226	5977	6155	7117	3911	5835	3964	5460	3560	5770	3020
Henry	602	18	656	56	902	123	1378	108	1570	150	1610	180
Newton	----	----	----	----	311	14	373	62	410	50	440	50
Paulding	----	----	----	----	718	0	932	6	950	10	930	20
Rockdale	437	144	623	83	692	120	1075	298	1110	160	1150	190
Walton	----	----	----	----	286	0	343	0	360	0	400	0
Total	22320	14394	23653	16703	28166	15977	30155	17017	30085	14030	29874	12530
% Change From Previous Year	+60.2	+129.8	+6.0	+16.0	+10.6	-4.4	+7.1	6.5	-0.2	-17.6	-0.7	-10.7
% Change in Total (single + multi)	+81.7		+9.9		+3.9		+6.9		-6.5		-3.9	
Estimated Potential Absorption (000)	33.0		40.6		48.0		43.9		43.4		42.9	

NOTE: The 1983 % change figures do not include Marietta. Totals for 1982 do not contain Marietta. Marietta figures are included in 1983 totals and beyond. Condominiums are included in the multi-family totals. Fee simple town homes are included in the single-family category. Counties added in 1985 are in totals for that year but are not included in changes until 1986.

Source: Homebuilders Association of Metro Atlanta

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Table 7

GA
~~Atlanta~~ Employment in 1991

	1985	1991	% Change	Annual Rate	Previous Annual Rate
Mining	8.1	9.4	16.0	2.5	1.4
Construction	143.8	165.3	15.0	2.3	4.2
Manufacturing	557.1	608.6	9.2	1.5	1.3
Durables:	220.1	239.0	8.6	1.4	2.2
Lumber	35.7	35.1	-1.7	-0.3	1.6
Furniture	11.9	11.8	-0.8	-0.1	2.0
Stone, Clay, Glass	19.9	21.4	7.5	1.2	2.7
Primary Metals	16.5	16.2	-1.8	-0.3	1.7
Fabricated Metals	20.7	22.1	6.8	1.1	1.4
Nonelectrical Machinery	26.0	28.9	11.2	1.8	3.4
Electrical Machinery	27.7	34.1	23.1	3.5	2.0
Transportation Equipment	49.1	56.0	14.1	2.2	3.3
Other Durables	12.6	13.4	6.3	1.0	-0.5
Nondurables:	337.0	369.6	9.7	1.6	0.8
Food	59.3	67.8	14.3	2.3	2.5
Textiles	100.8	105.9	5.1	0.8	-1.6
Apparel	70.4	71.2	1.1	0.2	0.4
Paper	30.3	35.9	18.5	2.9	2.3
Printing	34.1	44.6	30.8	4.6	4.5
Chemicals	19.3	20.1	4.1	0.7	2.2
Leather	1.6	0.9	-43.8	-9.1	-5.6
Other Nondurables	21.2	23.2	9.4	1.5	-0.7
Transportation, Comm. & Utilities	163.0	181.7	11.5	1.8	2.7
Trade:	643.0	804.0	25.0	3.8	4.6
Wholesale	195.4	223.4	14.3	2.3	3.1
Retail	447.6	580.6	29.7	4.4	5.3
Finance, Ins. & Real Estate	136.8	186.4	36.3	5.3	5.0
Services	469.3	658.2	40.3	5.8	5.2
Government:	448.7	495.6	10.5	1.7	1.0
Federal	94.2	100.9	7.1	1.2	2.6
State	104.8	119.3	13.8	2.2	0.8
Local	249.7	275.4	10.3	1.6	0.5
Total Wage & Salary	2569.8	3109.2	21.0	3.2	3.3
Population	5975	6668	11.6	1.85	1.88

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Table 8

~~Atlanta~~ GA Personal Income in 1991

	1985	1991	% Change	Annual Rate	Previous Estimated Growth Path
Labor & Proprietors' Income :					
1. Wage & Salary Income	48608	77484	59.4	8.1	8.5
Other Labor Income	4615	7526	63.1	8.5	8.5
3. Proprietors' Income:	5223	9479	81.5	10.4	6.0
Farm	683	1057	54.8	7.5	-0.8
Nonfarm	4540	8422	85.5	10.8	7.8
Labor & Proprietors' Income:					
1. Farm	833	1267	52.1	7.2	0.4
2. Mining	286	419	46.5	6.6	6.0
3. Contract Construction	3876	5963	53.8	7.4	9.5
4. Manufacturing:	12072	17403	44.2	6.3	6.5
Durables	5409	7718	42.7	6.1	7.7
Nondurables	6663	9685	45.4	6.4	9.3
5. Transportation, Comm. & Utilities	5478	8015	46.3	6.5	7.7
6. Trade:	11562	18026	55.9	7.7	9.3
Wholesale	5495	8161	48.5	6.8	8.6
Retail	6067	9865	62.6	8.4	9.9
7. Finance, Insurance & Real Estate	3592	6907	92.3	11.5	10.8
8. Services	10604	20904	97.1	12.0	11.2
9. Other Industries	256	447	74.6	9.7	10.5
10. Government:	9889	15138	53.1	7.4	6.3
Federal Civilian	2501	3391	35.6	5.2	6.2
Federal Military	1421	2315	62.9	8.5	8.1
State & Local	5967	9432	58.1	7.9	5.9
Plus:					
Property Income	10257	14506	41.4	5.9	6.8
State (U.I.) Benefits*	211	317	50.2	7.0	6.4
Transfer Payments	9656	13753	42.4	6.1	6.3
Residence Adjustment	-218	-313	----	---	---
Less: Social Ins. Contributions	3392	6044	78.2	10.1	12.7
Equals: Total Personal Income	74960	116708	55.7	7.7	7.5
Real Personal Income**	31091	36211	16.5	2.6	2.9
Adjusted PCE Deflator**	241.1	322.3	33.7	5.0	4.6

** Assuming CPI rises 5.0% per year, adjusted to reflect difference from national purchasing power, and to eliminate CPI bias.
* Assuming 5.0% unemployment rate in 1991.

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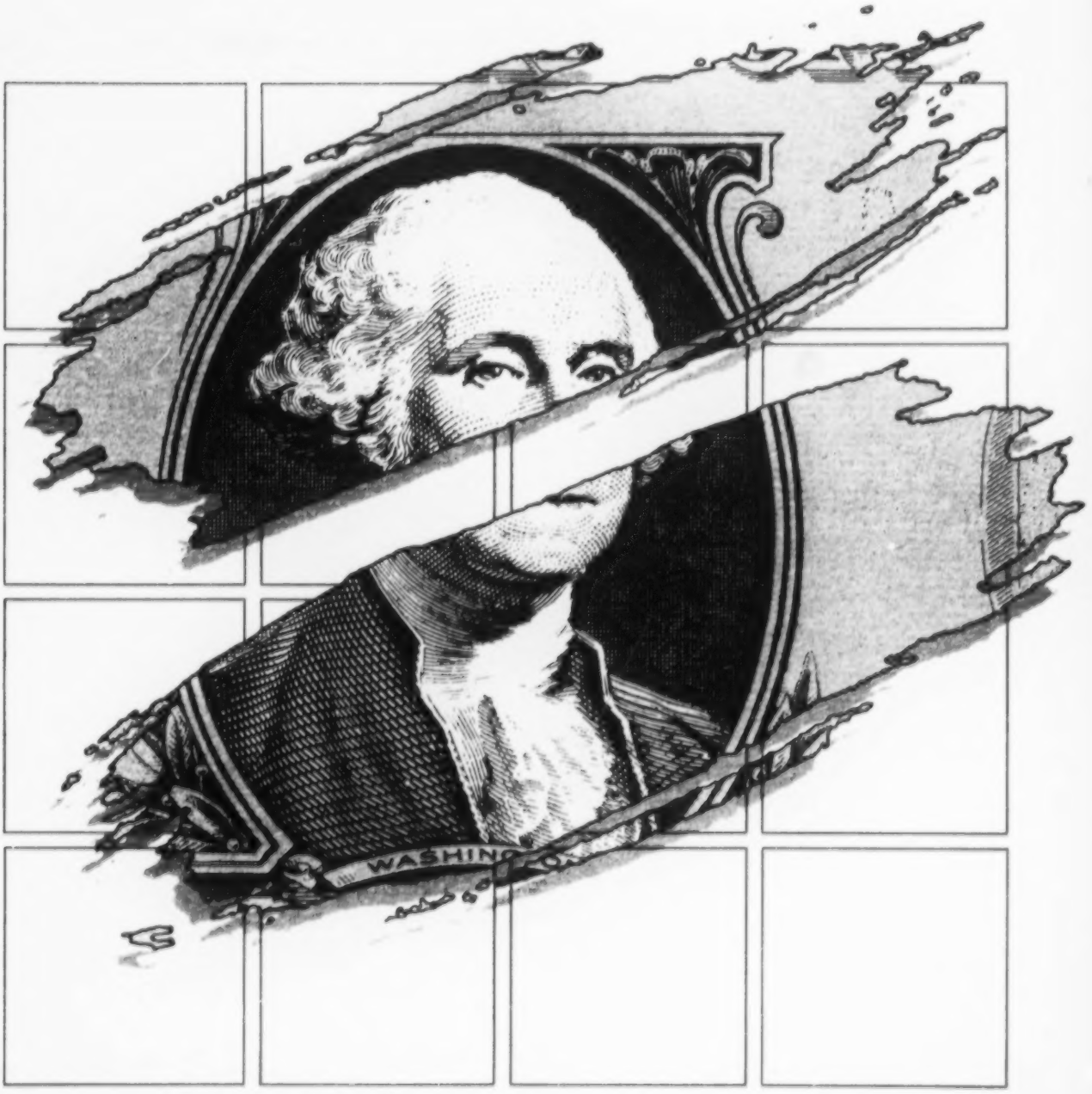
Dr. Donald Ratajczak, Director



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